

Message Text

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ACTION EB-07

INFO OCT-01 NEA-09 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FEAE-00 FPC-01 H-01 INR-07

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SP-02 SS-15 STR-01 TRSE-00 FRB-03 PA-01 PRS-01 USIA-06

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FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC PRIORITY 1889

C O N F I D E N T I A L ALGIERS 0425

E.O. 11652: N/A

TAGS: ENRG, AG

SUBJ: ALGERIAN OIL PRODUCTION

SUMMARY: ALGERIA'S OIL AND GAS PRODUCTION IS NO LONGER PUBLISHED. EMBASSY HAS CALCULATE PRODUCTION OF CRUDE AND CONDENSATE AT 46.6 MILLION METRIC TONS IN 1974, AND WE ESTIMATE QA PRODUCTION TO BE AT 45.5 MILLION METRIC TONS. OIL PRESS HAS CITED PRODUCTION FIGURES OF 49.0 MILLION TONS IN 1974, AND WE HAVE NO ESTIMATES FROM SONATRACH FOR 1975 EXCEPT PRODUCTION IS TO RISE TO 58 MILLION TONS BY THE END OF 1977. GAS PRODUCTION IN ALGERIA IS EVEN HARDER TO ESTIMATE, BUT BEST ESTIMATE AVAILABLE IS 7 BILLION CUBIC METERS OF FIELD GAS OF WHICH 4.6 BILLION CUBIC METERS WAS EXPORTED AS LNG. REST OF MESSAGE IS DEVOTED TO CALCULATIONS SUPPORTING EMBASSY'S LOWER PRODUCTION FIGURE. IF EMBASSY FIGURES CORRECT ALGERIA IS PREPARING TO PLAY SHELL GAME WITH OTHER OPEC PARTNERS WHEN IT COMES TO A PERCENTAGE CUT BACK BY OVERSTATING PRODUCTION AND PRODUCTION CAPACITY.

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1. THROUGH JULY 1973 SONATRACH ISSUED MONTHLY

PRODUCTION FIGURES FOR EACH FIELD. SINCE THEN NO FIGURES HAVE BEEN PUBLISHED EXCEPT SONATRACH'S ANNUAL REPORT FOR 1973. "PETROLEUM ECONOMIST", HOWEVER, HAS BEEN PUBLISHING GROSS MONTHLY FIGURES AND ITS FEBRUARY ISSUE GIVES MONTHLY PRODUCTION THROUGH OCTOBER OF 318,819 THOUSAND BARRELS. IF ONE AVERAGES LAST THREE MONTHS' PRODUCTION (28.3 MILLION BARRELS) AND USES THIS FIGURE FOR NOVEMBER AND DECEMBER 1974, THE 1974 PRODUCTION COMES TO 49.0 MILLION TONS A YEAR. THIS FIGURE IS SUPPORTED BY A FRENCH JOURNALIST'S FIGURE FOR THE FULL YEAR OF 49 MILLION TONS.

2. FORTUNATELY FRENCH AND U.S. OIL COMPANIES ARE EITHER OPERATING ON MOST ALGERIAN OIL FIELDS OR ELSE CONTROL PIPELINES AT LA SKIRRA ON TUNISIAN BORDER. A REVIEW OF THEIR PRODUCTION FIGURES WHICH ACCOUNT FOR 70.4 PERCENT OF ALGERIAN PRODUCTION GIVES TOTAL ALGERIAN PRODUCTION OF 46.4 MILLION TONS. THE ALGERIAN PRODUCTION BY FIELD, UNFORTUNATELY, NOT THE SAME FIELD BREAKDOWN AS THAT USED IN SONATRACH'S MONTHLY REPORTS, IS AS FOLLOWS:

	MILLION TONS	
	1973	1974
HASSI-MESSAOUD SUD	15.5	(
	(24.6	
MASSI-MESSAOUD NORD	11.5	(
GASSI-TOUIL	2.9	2.7
RHOUE EL-BAQUEL	2.8	2.0
TIN FOUY E TABANKORT	2.3	2.7
EL GASSI EL-AGRED	1.7	1.7
HAUD BERKAOUI	1.5	1.2

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IN AMENAS	1.3	(
ZARGAITINE	3.4	(
	(6.5	
TIN-FOUYE	1.6	(

EL BOERMA	1.0	.7
OTHER FIELDS NORTH	1.7	1.9
OTHER FIELDS SOUTH	1.3	1.3
HASSI R'MEL	1.1	1.3
	50.1	46.6

4. REDUCTION IN HASSI-MESSAOUD PRODUCTION IS DUE TO FALLING PRESSURE ON FIELD. THIS WILL CONTINUE TO EFFECT PRODUCTION IN 1975 AND PROBABLY REDUCE TOTAL PRODUCTION OF THIS FIELD TO 33.5 MILLION TONS. PRODUCTION SHOULD CONTINUE TO FALL UNTIL REINJECTION RAISES PRESSURE IN 1976 OR 1977. INCREASE IN "ALL OTHER FIELDS NORTH" IS DUE TO GUELLALA FIELD BROUGHT INTO PRODUCTION IN JULY 1973 AND NOW PRODUCING AT 470,000 BARRELS A YEAR. TWO NEW FIELDS AMASSAK, JUNE 1974 AND TAMENDJELT, JULY 1974 ACCOUNT FOR ANOTHER 300,000 BARRELS A YEAR PRODUCTION UNDER "ALL OTHER FIELDS SOUTH".

5. HASSI R'MEL PRODUCES CONDENSATE AT RATE OF 200 GRAMS PER CUBIC METER OF GAS, IN 1973 ALGERIA PRODUCES 5.6 MILLION CUBIC METERS OF GAS AND OBTAINED 1.1 MILLION TONS OF CONDENSATE. WITH SKIKDA TRAINS 2 AND 3 WORKING AT 110 PERCENT FOR HALF OF 1974 AND CAMEL AT 145 PERCENT FOR ALL OF 1974, ALGERIAN FIELD GAS PRODUCTION TO SUPPLY THESE DEMANDS SHOULD HAVE RISEN TO ABOUT 7 BILLION CUBIC METERS IN 1974 AND 1.3 MILLIONS TONS OF CONDENSATE. LIQUIFIED GAS PRODUCTION WAS 4.1 BILLION CUBIC METERS IN 1973 AND SHOULD RISE TO 6.2 BILLION CUBIC METERS IN 1975.

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CUBIC METERS IN 1975.

6. GAS FIELDS ARE COMPLETELY RUN BY SONATRACH SO THESE FIGURES ARE LESS SURE. ACTUAL GAS AND CONDENSATE PRODUCTION IS PROBABLY LOWER, BECAUSE BOTH CAMEL AND SKIKDA HAVE COMPLAINED OF LACK OF GAS PRESSURE AND HAVE HAD TO SLOW THEIR LIQUIFICATION PLANTS.

7. A SENIOR SONATRACH OFFICIAL HAS GIVEN SOME SUPPORT FOR 46.6 MILLION TON ESTIMATE OF OIL PRODUCTION WHEN HE SAID ALGERIAN PRODUCTION DOWN BY 15 PERCENT IN 1974.

8. METHOD OF CUTTING PRODUCTION SEEMS TO BE CLOSING DOWN A FIELD FOR THREE TO FIVE DAYS AND THEN GOING ON

TO ANOTHER ONE.PARKER

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